

U.S. DEPARTMENT OF ENERGY
**Office of Electricity Delivery and
Energy Reliability**



ENERGY ASSURANCE DAILY

September 12, 2005

Highlights/Major Developments

Large Portion of Los Angeles, CA Loses Power – Millions Affected

The city was investigating the cause and extent of the outage. Electrical power was knocked out shortly before 1 p.m. after two power surges, and traffic was snarled at intersections throughout the city when stop lights went dark. The lights also went out at downtown high-rises. The Police Department went on "full tactical alert," meaning no officers were allowed to leave duty. The weather in Los Angeles was not unusually hot Monday.

<http://www.cnn.com/2005/US/09/12/la.power.outage.ap/index.html>

<http://www.npr.org/templates/story/story.php?storyId=4843155&ft=1&f=1001>

<http://www.voanews.com/english/2005-09-12-voa60.cfm>

Update: Hurricane Katrina

OFFICE OF ELECTRICITY DELIVERY AND ENERGY RELIABILITY (OE)

U.S. DEPARTMENT OF ENERGY

Hurricane Katrina Situation Report #33

September 12, 2005 (3:00 PM EDT)

HIGHLIGHTS

Currently, 435,966 customers remain without electric power in Louisiana and Mississippi due to Hurricane Katrina – this is an improvement of over 35,500 customers from yesterday's situation report. This is down by over 2.2 million from a peak of 2.7 million customers that were without power after Hurricane Katrina struck the region.

Entergy reports that transmission line work to the LOOP's Fourchon facility is complete and that service was switched on at 6:30PM yesterday. This will restore additional offshore crude oil to refineries.

NOAA reported this morning that tropical storm Ophelia is now located about 205 miles east-southeast of Charleston South Carolina, or about 260 miles south-southwest of Cape Hatteras, North Carolina. Ophelia is moving toward the west at nearly two miles per hour and a gradual turn toward the Northwest at a slow forward speed is expected during the next 24 hours. Its outer rainbands are very near the coast of the Carolinas. Maximum sustained winds are near 70 miles per hour with higher gusts. The storm may again strengthen into a hurricane during the next 24 hours. Tropical storm force winds extend outward 160 miles from the center. <http://www.nhc.noaa.gov/text/refresh/MIATCPAT1+shtml/120844.shtml>

Warning of the possibility of coastal flooding from Hurricane Ophelia, Gov. Michael F. Easley of North Carolina has sent 200 National Guard soldiers to staging centers and ordered a mandatory evacuation of tourists on Ocracoke Island, on the Outer Banks (which is reachable only by ferry).

NOAA on 9/11 issued another space weather warning for a power solar flare. NOAA cautions communications groups are already experiencing problems due to this activity. Electrical power systems are at increasing risk for service disruptions. The utilities through the ES ISAC are aware of the solar activity and possible geomagnetic effects. No electrical power system problems have been reported to DOE at this time.

The U.S. Nuclear Regulatory Commission has authorized the restart of the Waterford Nuclear Plant, near Taft, Louisiana. Workers are performing maintenance unrelated to the hurricane prior to initiating procedures leading to restart of the reactor.

The Brunswick nuclear reactor, on the southern coast of NC, is currently under a hurricane watch due to Hurricane Ophelia. All systems have been checked and are operating properly. If there is a hurricane warning, the unit must be in hot shutdown within two hours of winds reaching 73 mph.

The Louis Armstrong New Orleans International Airport has set Tuesday, September 13, as the date to re-open the Airport to scheduled passenger air service following the aftermath of Hurricane Katrina. Cargo flights will resume immediately. Armstrong International Airport has been operational since Tuesday, August 30, for humanitarian relief flights and civilian and military rescue efforts.

On 9/9/05, the Environmental Protection Agency extended two waivers for the Richmond, VA, and Atlanta, GA, areas. A second reformulated gasoline (RFG) waiver for the Richmond, VA, area was issued due to continued shortages of RFG. The waiver, which expired on 9/9/05, is now extended through September 23, 2005. A second extension was issued for counties in the Atlanta area waiving gasoline RVP and sulfur regulations until midnight on October 5, 2005.

DOE staff are at the National Response Coordination Center (NRCC) at FEMA HQ, the Interagency Incident Management Team at HQ, FEMA Region IV, and the State Emergency Operation Centers (EOC) in Louisiana and Mississippi for several weeks. DOE staff have been deployed in North Carolina and South Carolina as part of the Ophelia Preparedness Plan. The FEMA Region IV office in Atlanta has resumed 24/7 operations.

PETROLEUM AND GAS INFORMATION

According to MMS reports on 9/12, 12.82 percent of 819 manned platforms and 2.24 percent of 134 rigs remain evacuated in the Gulf of Mexico (GOM). Today's shut-in oil production is 860,636 BOPD. The shut-in oil production is equivalent to 57.38 percent of the normal daily oil production in the GOM, which is currently approximately 1.5 million BOPD. Shut-in gas production was 3.784 BCFPD. This shut-in gas production is equivalent to 37.84 percent of the normal daily gas production in the GOM, which is currently approximately 10 BCFPD.

Improvement in GOM Shut-in Oil and Gas 8/30/05 – 9/12/05

Date	Percent of GOM Oil Shut-in	Percent of GOM Gas Shut-in
August 30	95.20	87.99
August 31	91.45	83.46
September 1	90.43	78.66
September 2	88.53	72.48
September 3	78.98	57.80
September 4	No data reported	No data reported
September 5	69.57	54.13
September 6	58.02	41.06
September 7	57.37	40.36

September 8	60.12 *	40.20
September 9	59.88	38.29
September 10	59.84	38.21
September 11	No data reported	No data reported
September 12	57.38	37.84

*Oil Production Shut-ins continue to decline, despite the apparent rise in the figures released by MMS. According to MMS, this rise in the statistics occurred today because a company just reported a significant amount of shut-in oil production today that has been shut-in since the hurricane hit, but was not reported as such due to communications problems.

The repair or replacement of flooded substations will delay restoration of transmission service to several refineries downstream of New Orleans. Inspection of customer facilities is required before service can be restored.

According to the U.S. Coast Guard, Mobile Bay is open to all traffic with a draft of 43 feet or less. The Mobile River is open to all traffic with a draft of 40 feet or less. Theodore Channel is open to all traffic with a draft of 37 feet or less. The Port of Gulfport is now open to all traffic with a draft of 30 feet or less for daylight transit only. The Gulf Intracoastal Waterway is open to all traffic from the Inner Harbor Navigational Canal in New Orleans to MM 350 (Aucilla River, FL). The Baptiste Collete alternate route is open to vessels with a draft of 9.5 feet or less. The US Coast Guard reports that the Captain of the Port New Orleans has established a safety zone on the Lower Mississippi River from the Southwest Pass sea buoy to mile marker 116. All vessels with a draft of greater than 39 feet can only transit the area in daylight and with the permission of the Captain of the Port New Orleans. Note that the Inner Harbor Navigational Canal in New Orleans is still closed to all vessels.

The State University of New York Maritime College reported that its training ship, the 565-foot Empire State VI, will be utilized to berth up to 700 ConocoPhillips employees and contract workers as they begin repairs on strategic infrastructure and facilities at ConocoPhillips' oil refinery in Belle Chasse, Louisiana. The ship should arrive in New Orleans on September 16th.

The tables below show no change in the five shutdown refineries and company confirmation of status of two refineries with reduced runs.

Table 1. Shutdown Refineries

Refinery	Location	State	Capacity (bbl/day)	Current Status
ConocoPhillips*	Belle Chasse	LA	247,000	No power - major damage
ExxonMobil	Chalmette	LA	187,200	No power - water damage
Murphy	Meraux	LA	120,000	No power – water is starting to recede, currently making assessment of damage, leaking crude oil tank repaired
Shell Chemical	St Rose	LA	55,000	Awaiting Norco restart
ChevronTexaco*	Pascagoula	MS	325,000	Damage unknown – assessment being made

Table 2. Refineries with Reduced Runs

Refinery	Location	State	Capacity (bbl/day)	Current Status
Motiva (Shell)	Convent	LA	235,000	Restarted – company confirmed that refinery should reach full production this week.
Motiva (Shell)	Norco	LA	226,500	Restarted – company confirmed

ELECTRICITY INFORMATION

STATE OUTAGE DATA

Utility	Customers w/o Power	% Customers w/o Power from Katrina
Louisiana*	344,850	31%
Mississippi	91,116	6%

*Louisiana data is reported by the Louisiana Public Service Commission and their percentage outage numbers are used in calculating the percentage of total outage.

STATE REPORTS

Mississippi and Louisiana

In Louisiana 344,850 customers remain without power, as reported by the Louisiana Public Service Commission (LAPSC) (5:30 AM 9/12/05 latest report).

Significant Louisiana Outage Data by Parish (5:30 AM 9/12/05)

UTILITY	OUTAGES	% customers w/o power
Jefferson	61,923	30%
Lafourche	1,749	3%
Livingston	1,271	3%
Orleans	176,292	86%
Plaquemines	7,619	81%
St. Bernard	28,308	99%
St. Tammany	49,633	46%
Tangipahoa	2,787	5%
Washington	14,297	54%

*Louisiana data and percentages are reported by the Louisiana Public Service Commission.
Only Parishes with outages of more than 1,000 customers are shown

Louisiana Outage Data by Utility (5:30 AM 9/12/05)

UTILITY	OUTAGES	% customers w/o power
Entergy Louisiana	102,830	22%
Entergy Gulf States	286	>1%
Entergy New Orleans	176,292	86%
DEMCO	1,533	2%
SLECA	362	2%
Wash-St. Tammany	31,650	70%
CLECO	31,897	39%
Total	344,850	31%

*Louisiana data and percentages are reported by the Louisiana Public Service Commission.

As of 8:05 AM 9/11/05, Mississippi had 91,116 customers without power, which represents 7 percent of customers in the state, including 25,451 Mississippi Power customers and 65,665 customers of the Electric

Power Associations of Mississippi (EPAOFMS). Mississippi Power, Entergy and TVA have completed initial restoration activities to customers able to receive power.

Mississippi Power has completed initial restoration efforts and 6,500 workers were released to assist other companies as of 9/11/05. Mississippi Power will keep some workers for at least a few days to continue restoring service to customers when they are able to receive power.

Entergy reports that they have sufficient generation on-line to support southeast Louisiana requirements.

The repair or replacement of flooded substations will delay restoration of transmission service to several key loads, including refineries downstream of New Orleans, but customers have extensive damage as well. In flooded areas the safety of customer's facilities must be validated by the applicable local authorities before service can be restored. The repair and inspection of customer facilities may constrain restoration in some areas.

Additional Information

Hurricane Katrina Evacuation and Production Shut-in Statistics Report as of Monday, September 12, 2005

Next Report will be issued on Tuesday, September 13, 2005 at 1:00 PM CDT
For information concerning the storm click on www.mms.gov

This survey reflects 55 companies' reports as of 11:30 a.m. Central Daily Time.

Districts	Lake Jackson	Lake Charles	Lafayette	Houma	New Orleans	Total
Platforms Evacuated	0	0	0	5	100	105
Rigs Evacuated	0	0	0	0	3	3
Oil, BOPD Shut-in	0	782	7,520	72,546	779,788	860,636
Gas, MMCF/D Shut-In	0	28.04	8.90	584.32	3,162.58	3,783.85

<http://www.mms.gov/ooc/press/2005/press0912.htm>

These cumulative numbers reflect updated production numbers from all previous reports. The reports only represent input received by 11:30 a.m. CDT. If a company does not report by 11:30 a.m. it is not included in the special information release, but it is included in the cumulative shut-in production. This may result in an apparent increase in the cumulative report amount.

Shells Reopening More Gasoline Stations in New Orleans

100 percent of Shell-branded stations in Baton Rouge are back up and running, and 19 percent of locations in New Orleans have reopened. only 12 percent of the stations in New Orleans were open last Friday.

http://www.shell.com/home/Framework?siteId=us-en&FC2=/us-en/html/iwgen/news_and_library/storm_updates/katrina/zzz_lhn.html&FC3=/us-en/html/iwgen/news_and_library/storm_updates/katrina/storm_update_katrina120905.html

Hurricane Pollution Recovery Efforts Continue in New Orleans

For latest details (updated September 12 pm) on amount of oil spilled by company and efforts to clean up pollution see: <http://www.uscgstormwatch.com/external/?cid=1008&fuseaction=external.viewDocument&documentID=83185>

Update on Status of Waterways and Ports Affected by Katrina as of 1400 September 12

<http://www.uscgstormwatch.com/external/?cid=1008&fuseaction=external.viewDocument&documentID=83248>

Electricity

See Los Angeles Power Outage Story under Highlights / Major Developments

SCE's 290 MW Big Creek Hydro Unit in CA Shutdown on September 12

14:56 September 12, 2005

TXU's 565 MW Monticello 1 Coal-fired Unit in TX Shutdown on September 12

The unit tripped due to a problem with the interface valve.

Reuters, 14:56 September 12, 2005

TXU's 750 MW Martin Lake 1 Coal-fired Unit in TX Shutdown on September 10

Reuters, 08:20 September 12, 2005

TXU's 750 MW Martin Lake 3 Coal-fired Unit in TX Returned to Service on September 12

Reuters, 08:20 September 12, 2005

SCE's 790 MW Mohave 1 Coal-fired Unit in NV Shutdown September 12, 2005

Reuters, 14:39 September 12, 2005

OPG's Oil- and Gas-fired Lennox 1 Unit in Ontario returned to Service September 12

Reuters, 14:16 September 12, 2005

OPG's 490 MW Coal-fired Nanticoke 1 Unit in Ontario Shutdown September 9

Reuters, 14:16 September 12, 2005

Mirant's 682 MW Pittsburg 7 Gas-fired Unit in CA Returns to Service September 11

The unit shutdown last Thursday for planned and unplanned reasons.

08:17 September 12, 2005

PEPCO to Accelerate Construction of Transmission Facilities

Due to the closing of the Potomac River Generating Station by Mirant Corporation last month, PEPCO announced that it will initiate a process with the District of Columbia Public Service Commission to accelerate the construction of underground transmission lines in the Washington, D.C. area.

<http://biz.yahoo.com/prnews/050909/dcf041.html?.v=14>

Petroleum

Power Outage in Los Angeles Shuts down Valero Refinery in Wilmington

http://www.bizjournals.com/sanantonio/stories/2005/09/12/daily8.html?from_rss=1

SPR Sale Ends, Awards to be Announced This Week

Companies had until Friday, September 9, to submit offers for the 30 million barrels of crude oil for sale from

America's Strategic Petroleum reserve. The Department of Energy will award sales contracts by the end of this week to the companies that submitted the highest bids for the crude and can provide the necessary letters of credit to guarantee the purchases.

http://www.fossil.energy.gov/news/techlines/2005/tl_spr_drawdown2005_1.html

Golden Eagle Refinery Up and Running

Tesoro this afternoon said that the FCC at its 170,000 b/d Golden Eagle refinery in the Bay area has returned to 100% of capacity. A fire last month knocked the FCC out of commission.

OPIS September 12, 2005

California Gasoline Pollution Standards Relaxed

In order to increase supply, and reduce the fear of gasoline shortages caused by Hurricane Katrina, California will allow oil companies to sell winter blend gasoline starting now. Normally, the winter blending season begins October 31. Officials at the California Air Resources Board said this will increase emissions, but will enable refiners to make more gasoline.

Source: http://www.kansas.com/mld/mercurynews/news/local/12610237.htm?source=rss&channel=mercurynews_local

For additional information on petroleum, see Highlights/Major Developments

Natural Gas

Damage Assessment – Crosstex Energy

Crosstex Energy reports that all of their gas processing plants in South Louisiana are operating normally, after being shut down for several days. No significant damages was sustained to any of the plants.

<http://biz.yahoo.com/bizj/050912/1162904.html?.v=1>

Lyons, Kansas Must Replace Gas Lines

The town of Lyons, Kansas was ordered by a state agency to replace all of its 28 miles of gas distribution lines within a year after multiple gas leaks were discovered. After surveying 10 percent of the lines, 47 leaks were found.

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=5941313

For additional information on natural gas, see Highlights/Major Developments

Other News

Nothing to report.

Energy Prices

	Latest (09/12/05)	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate US \$/Barrel	63.29	65.83	43.86
NATURAL GAS Henry Hub \$/Million Btu	10.68	11.56	5.12

Source: Reuters

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated on Wednesdays

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 1:00pm (Eastern time) on Wednesdays

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 pm (Eastern time) on Thursdays

ENSEC threat awareness blog site from Energy Assurance

<http://ensec.blogspot.com>